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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

USA Commercial Mortgage Company,

Debtor.

Case No. BK-S-06-10725-LBR
Chapter 11

**DECLARATION OF GEOFFREY L.
BERMAN IN SUPPORT OF USACM
TRUST'S MOTION TO ALLOW
PROOFS OF CLAIM BASED UPON
INVESTMENT IN THE TEN
NINETY LOAN**

Hearing Date: September 30, 2011
Hearing Time: 9:30 a.m.
Estimated Time for Hearing: 10 minutes

I, Geoffrey L. Berman, declare under penalty of perjury:

1. I am an adult person competent to testify in court.

2. I make this declaration based upon my personal knowledge, and upon the records USA Commercial Mortgage Company.

3. I am the Trustee of the USACM Liquidating Trust ("USACM Trust"), which is an entity created by the Debtors' Third Amended Joint Chapter 11 Plan of Reorganization ("Plan"), in the jointly-administered bankruptcy cases, In re USA Commercial Mortgage Company, BK-S-06-10725-LBR, pending in the United States Bankruptcy Court for the District of Nevada.

4. USACM circulated an Offer Sheet to prospective Direct Lenders soliciting funding for an acquisition and development loan to a borrower identified as “Ten-Ninety, Ltd.” A copy of the Offer Sheet is attached hereto as **Exhibit B** and incorporated by this reference. The Offer Sheet described the investment as a “First Trust Deed Investment” and noted that the investment would be secured by a first deed of trust on approximately 200 acres of property in the Southridge master planned community in Fontana, California for development of 310 single family residential lots. *Id.* The loan to value ratio represented in the Offer Sheet was “approximately 62%.” There is no appraisal in the USACM file to support this loan to value estimate.

5. On December 26, 2002, Borrower made and delivered to various lenders, including the Direct Lenders identified in **Exhibit A**, a “Promissory Note Secured by Deed of Trust” (the “Note”) and a Loan Agreement. The Note and Loan Agreement provided for a loan of up to \$4,140,000. *Id.* Pursuant to the Loan Agreement, the loan was intended to acquire the real property. *Id.*

6. The Note was secured by a “Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing” (the “Deed of Trust”) from the Borrower in favor of the Direct Lenders that was recorded in the Official Records of Riverside County, California on March 12, 2003 at Doc # 2003-174651.

7. The Note was also supported by personal guarantees from Richard Ashby and Larry Redmon.

8. The USACM “Loan Summary” dated July 31, 2006 and filed in this case shows that Borrower was “Non-Performing” on the Note as of July 31, 2006 because the dispersing agent held sufficient cash to make interest payments. Pursuant to the USACM “Loan Summary” dated February 28, 2007 and filed in this case, the Borrower was in “Default” as of February 28, 2007

I declare under penalty of perjury that the foregoing is true and correct.

1 Dated: August 9, 2011

2
3 /s/ Geoffrey L. Berman

4 Geoffrey L. Berman

5 Copy of the foregoing mailed (without
6 Exhibits) by first class postage prepaid
7 U.S. Mail on August 9, 2011 to
8 All investors listed on Exhibit A
9 Attached.

10 s/ Renee L. Creswell

11 Renee L. Creswell